



The State of Utah

Department of Natural Resources

Division of Oil, Gas & Mining

ROBERT L. MORGAN Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER

Governor

GAYLE F. McKEACHNIE

Lieutenant Governor

Representatives Present During the Inspection:					
Company	Rusty Netz Environmental Coordinator				
OGM	Karl Houskeeper Environmental Scientist III				

Inspection Report

Permit Number:	C0070035
Inspection Type:	COMPLETE
Inspection Date:	Thursday, February 11, 2010
Start Date/Time:	2/11/2010 8:00:00 AM
End Date/Time:	2/11/2010 12:00:00 PM
Last Inspection:	Thursday, January 28, 2010

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Overcast, Temp. 22 Deg. F. InspectionID Report Number: 2269

Accepted by: jhelfric

3/22/2010

Permitee: SUNNYSIDE COGENERATION ASSOCIATES
Operator: SUNNYSIDE COGENERATION ASSOCIATES

Site: SUNNYSIDE REFUSE & SLURRY

Address: ONE POWER PLANT RD, PO BOX 159 SUNNYSIDE UT 84539

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

Total Permitted	310.00
Total Disturbed	202.00
Phase I	5.50
Phase II	
Phase III	

Mineral	Ownership
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☐ Federal ☐ State

☐ County
✓ Fee

Other

☐ Loadout ☐ Processi

☑ Processing☑ Reprocessing

Types of Operations

Underground

☐ Surface

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Richard Safely Sunnyside Cogeneration Associates was present for the field portion of the inspection.

Inspector's Signature:

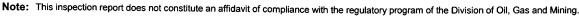
Sall. Houskyse,
er. Environmental Scientist III

Date

Thursday, February 11, 2010

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49





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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale	\checkmark		✓	
2.	Signs and Markers	V		V	
3.	Topsoil	V			
4.a	Hydrologic Balance: Diversions	V		✓	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	✓		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures	✓			
4.d	Hydrologic Balance: Water Monitoring	V			
4.e	Hydrologic Balance: Effluent Limitations	V		✓	
5.	Explosives	V	✓		
6.	Disposal of Excess Spoil, Fills, Benches	V		✓	
7.	Coal Mine Waste, Refuse Piles, Impoundments	V		✓	
8.	Noncoal Waste	Y			
9.	Protection of Fish, Wildlife and Related Environmental Issues	V			
10.	Slides and Other Damage	V			
11.	Contemporaneous Reclamation	✓			
12.	Backfilling And Grading	V			
13.	Revegetation	✓			
14.	Subsidence Control	V			
15.	Cessation of Operations	V			
16.8	Roads: Construction, Maintenance, Surfacing	V			
16.b	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities	✓			
18.	Support Facilities, Utility Installations	✓			
19.	AVS Check	✓			
20.	Air Quality Permit	✓		✓	
21.	Bonding and Insurance	✓		✓	
22.	Other	V			

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1. Permits, Change, Transfer, Renewal, Sale

The following permits were reviewed:

- -Mining permit C/007/035 issued February 3, 2008 and expires February 4, 2013.
- -UPDES permit #UT0024759 effective August 1, 2007and expires midnight July 31, 2012.
- -Air Quality Permit DAQO-702038-02 issued November 1, 2002, remains in effect.
- -SPCC plan is only applicable to plant site which is not within the permit area.
- -Certificate of Insurance effective 08/01/2009 and terminates 08/01/2010.
- -Reclamation agreement is dated December 1996 and signed by both parties.

2. Signs and Markers

The mine ID sign is located adjacent to the tipple on a light pole. The MSHA Refuse Pile sign was also checked during the inspection and contained the required information.

4.a Hydrologic Balance: Diversions

All of the diversions are snow covered.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Fourth quarter 2009 sediment pond inspections were done on December 17, 2009. Several of the sediment ponds are within .5" to .6" of reaching the 60% clean elevation.

4.e Hydrologic Balance: Effluent Limitations

Reviewed the December 2009 discharge monitoring reports. No discharges occurred.

6. Disposal of Excess Spoil, Fills, Benches

The excess disposal sites #1 & #2 were inspected on December 17, 2009.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile was inspected on December 17, 2009. The pile appeared stable. No visible hazards were observed.

20. Air Quality Permit

DAQ-702038-02 issued November 1, 2002, remains in effect. Air Quality Permit DAQE-691-99 issued August 13, 1999 was replaced by DAQO-702038-02. The permit was modified to allow the usage of a diesel generator on the power plant site. The Air Quality Permit covers both the power plant and mine site. The power plant site is not regulated by DOGM.

Inspection Continuation Sheet

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21. Bonding and Insurance

A Pledge and Escrow agreement dated January 4, 2002 is in place. The escrow agency is Wells Fargo for SCA. SCA has invested \$1,780,250.19 in federally guaranteed Treasury Notes as of December 31, 2006. The required bond amount is \$1,720,000.